

# 2021 Annual Business Survey (ABS) Instructions

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## Introduction

The 2021 Annual Business Survey (ABS) report form asks about activities occurring mostly in 2020. Since some questions do not reference the year 2020, the data collection year (2021) is used in its survey name rather than a single reference year, e.g., 2020.

Please respond for the business or nonprofit organization named in the address label or survey. Report for its domestic U.S. operations only, including all majority-owned U.S. subsidiaries, unless instructed otherwise. Carefully prepared estimates are acceptable if book figures are not readily available.

You can save and log out of your account at any time. Your responses will be saved, and you will be able to log back into the survey and complete more responses later. In addition, the survey will navigate you to the next applicable question. You may not be asked to complete all the questions included in these instructions.

## Steps to report online:

1. **Sign in** or **register** at <https://portal.census.gov>
2. **Add** your authentication code.
3. **Report** by clicking on “REPORT NOW.” You can return to your account over multiple sessions to complete the survey.
4. For assistance completing this survey, please log in to your Census Bureau account at <https://portal.census.gov> and send us a secure message or call the customer help line at 1-888-824-9954, Monday through Friday, 8:30 a.m. to 6:00 p.m. Eastern time.
5. Please visit “How Do I Get Started?” at <https://www.census.gov/content/census/en/topics/business-economy/information/response/get-started.html> for additional information.
6. Please visit “How-To Videos” at <https://www.census.gov/content/census/en/topics/business-economy/information/response/how-to-video.html> for information on logging into the respondent portal.
7. Please visit “Information for Respondents” at <https://www.census.gov/abs/help> and click on the link in the “Questionnaires” section to access the questions you will be asked on the survey prior to responding. The survey is provided for informational purposes only and should not be mailed to the Census Bureau.

The ABS collects information from different types of business and nonbusiness organizations, including nonprofits. Not all sections of the report form may apply to your business or organization. The online reporting tool will guide you to the sections with questions for which responses are required. Depending on the size of your business or nonbusiness organization, you

may need to collaborate with colleagues in different departments to complete different sections of the survey. For more information, visit the “How Do I Share Survey Access?” section within the respondent portal.

Instructions are provided, identifiable by their screen titles, within the following sections of the survey:

- SECTION A: COMPANY INFORMATION
- SECTION B: OWNER CHARACTERISTICS
- SECTION C: RESEARCH ACTIVITIES AT NONPROFIT ORGANIZATIONS
- SECTION D: RESEARCH AND DEVELOPMENT FOR MICROBUSINESSES
- SECTION E: TECHNOLOGY, OPERATIONS, AND INNOVATION
- SECTION F: FINANCING
- SECTION G: MANAGEMENT PRACTICES
- SECTION H: RESEARCH AND DEVELOPMENT AND THE CORONAVIRUS PANDEMIC
- SECTION I: CONTACT INFORMATION

Each question is listed by Section letter, Owner designation (within SECTION B only), Question number, and Item letter (per row, if applicable).

For example:

- **A.2** denotes the second question in SECTION A.
- **B.2.1** denotes the first question in SECTION B, which asks for the characteristics of *Owner #2*.
- **D.9 a.** denotes item a. of the ninth question in SECTION D.

## SECTION A: COMPANY INFORMATION

The following section collects information on the operations and structure of a for-profit businesses. All businesses that receive this survey should answer questions in the upcoming section. The reporting unit for the survey is the U.S.-located company, including all majority-owned subsidiaries and divisions regardless of location. **Report only for domestic operations.**

**Reporting for “domestic operations”** - In this survey, “domestic operations” refers to this business’s or nonprofit organization’s operations located in the 50 United States and the District of Columbia. When reporting for domestic operations, include transactions with foreign subsidiaries. Include all your majority-owned subsidiaries and divisions located in the domestic United States.

**Reporting instructions for “foreign-owned companies”** - If this business or nonprofit organization is owned by a foreign parent, the reporting unit for this survey is your U.S.-located company or entity. For reporting purposes, this business’s foreign parent and any other foreign affiliates this business owns should be treated the same as any business partner, customer, or supplier you do not own.

### **A.1 Ceased Operations**

Question: **A.1 Has this business ceased operations?**

Completion of the 2021 ABS is required even if this business or its owner(s):

- Suspended or ceased business operations during the coronavirus pandemic.
- Ceased business operations due to a court-approved bankruptcy, reorganization, or liquidation plan.

If the business ceased operations *before* January 2020, *select* “Yes,” and respond to the **A.2 Date Ceased Operations**. If the business operated at any time in 2020, you should report your company’s operations for the part of 2020 that the company was in operation.

Otherwise, select “No,” and the survey will automatically skip to the **A.3 Business Ownership – Foreign-Owned Entity** question.

**If another entity acquired or merged with this business during or after 2020, report for the part of 2020 that this business was in operation prior to its acquisition or merger. If the business’s name has changed, please complete the entire survey regardless of when the change took place. You may type the new business name and an explanation of what has occurred in the closing “Remarks” screen that appears before you submit the survey.**

## **A.2 Date Ceased Operations**

Question: **A.2 Enter the month and year this business ceased operations.**

Report the 2-digit month and 4-digit year that the business's operations ceased. If the business ceased operations before January 2020, you are not required to report this survey.

## **A.3 Business Ownership – Foreign-Owned Entity**

Question: **A.3 In 2020, was this business a majority-owned subsidiary of a foreign company?**

Special reporting instructions apply if this business was majority-owned by a foreign entity (company or government) not created or organized in the United States.

All direct and indirect ownership interests held by the foreign entity in this business in 2020 should be summed to determine whether the foreign entity's percentage of ownership was more than fifty percent.

When answering the remaining questions, report for the foreign entity's U.S.-based operations only, which includes all majority-owned U.S. subsidiaries and divisions located in the domestic United States (fifty states and the District of Columbia) in 2020, unless explicitly instructed otherwise. For reporting purposes, the foreign parent and/or any other foreign affiliate, which was not owned by the U.S. subsidiary/division, should be treated the same as any business partner, customer, or supplier that the U.S.-based operations does not own.

If the U.S.-based subsidiary/division pays its foreign parent for R&D services or if the foreign parent pays or reimburses its U.S.-based subsidiary/division for R&D services, those costs should be included when responding to questions in **SECTION D: RESEARCH AND DEVELOPMENT**.

**Report this business's information by using U.S. Generally Accepted Accounting Principles (U.S. GAAP) as recognized by the Financial Accounting Standard Board (FASB). If your company follows International Financial Reporting Standards (IFRS), please estimate any adjustments that would be required to conform to U.S. GAAP.**  
**A.4 Business Ownership – U.S. Entity**

#### **A.4 Business Ownership - U.S. Entity**

Question: **A.4 In 2020, did another U.S. company or other entity own more than 50 percent of this business? *Examples of other entities include estates, trusts, employee stock ownership plans (ESOPs), associations, membership clubs, and cooperatives.***

Responses to this question help to eliminate double counting in cases where both parties in a business acquisition receive this survey, and to identify businesses that were majority-owned by another business(es), or created or organized legal entity(ies) in 2020.

If you answer “Yes,” you will be directed to section to the **A.6 Business - 10% or More Ownership** question.

#### **A.5 Business Ownership – Government or Tribal Entity**

Question: **A.5 In 2020, was this business owned by a government or tribal entity?**

Answer “Yes” if:

- You are reporting on behalf of a government agency, or a federally or state-recognized Indian Nation (variously called a tribe, nation, band, pueblo, community, rancheria, or native village).

Answer “No” if:

- You are reporting as a self-employed person or on behalf of a nontribal-owned business, **regardless of the owner’s or owners’ American Indian and Alaska Native enrolled or principal tribal affiliations.**

#### **A.6 Business - 10% or More Ownership**

Question: **A.6 In 2020, did at least one person own 10% or more of this business? *Do not count parent companies, estates, trusts, or other entities.***

For this survey, the word “person”:

- Refers to a human owning rights, claims, interests, or stock in this business in 2020, and
- Does not refer to ownership by another business, or a created or organized legal entity.

Answer “No”:

- ONLY if no person owned ten percent or more of this business.

### **A.7 Number of Owners**

Question: **A.7 In 2020, how many people owned this business?**

- ***Do not combine two or more owners to create one owner.***
- ***Count spouses and partners as separate owners.***
- ***Count owners who owned at least 10% of this business.***

Report the number of people that directly owned the rights, claims, interests, or stock in this business in 2020. For this survey, sole proprietors and self-employed people are considered owners of independent businesses. If you are the sole proprietor or self-employed, you should report “1 person” (or “2 people” if you owned the business jointly with your spouse in 2020.)

Select “1 person” in situations where different companies, plus one individual person, held the ownership interests in this business in 2020.

Select “11 or more people” when the majority ownership in 2020 was dispersed among large numbers of owners, members, or shareholders; for example, a large publicly traded company, a civic association, a cooperative, a country club, a credit union, or a trade association.

Select “Business is owned by a parent company, estate, trust or other entity” when one of these types of organizations acted as a single entity in owning all of the rights, claims, interests, or stock in this business in 2020.

Select “Don’t know if no individual person(s) owned the business in 2020; for example, an ownership by a holding company or a nonprofit organization operating a commercial business.

### **A.8 Number of W-2 Paid Domestic Employees or Employee/Owners**

Question: **A.8 For the pay period including March 12, 2020, how many people worked for this business, including those paid through grants? *Include both full-time and part-time employees as well as yourself. Include only persons in the United States. Count each person only once. If none, report zero.***

Please count each person only once, and report the total number of owners (in line a) and employees (in line b) who worked for this business during the pay period including March 12, 2020, and were issued a 2020 W-2 form for full- or part-time employment, or other compensation. Report owners and employees from domestic operations only.

If a person served as both an owner and an employee in 2020, please count the person only once, in whatever was the person’s dominant role on March 12, 2020.

### **A.9 Number of Domestic Workers Who Did Not Receive a W-2**

Question: **A.9 Not including employees or employees/owners included in the previous question how many other people worked for this business, including those paid through grants? *Include both full-time and part-time workers as well as yourself, if applicable. Include only persons in the United States. Count each person only once. If none, report zero.***

For item a., report:

- The number of non-W-2 workers (such as contractors, subcontractors, independent contractors, outside consultants, and temporary workers), who worked during the pay period including March 12, 2020. These workers may have been issued a 2020 IRS Form 1099 or were compensated by another third-party business, such as a consulting firm or staffing agency.
- Nonemployee workers from domestic operations only.
- Any employee who is solely commission based and did not receive a W-2, regardless of the amount of commissions made.

### **A.10 Total Worldwide and Domestic Sales and Operating Revenues**

Question: **A.10 In 2020, what was the amount of this business's worldwide and domestic sales and operating revenues, including grants? *Round to the nearest one thousand dollars. If none, report zero.***

Use or adapt information to U.S. Generally Accepted Accounting Principles (U.S. GAAP) as recognized by the Financial Accounting Standard Board (FASB), when reporting total worldwide sales and operating revenues from this business.

If this business is a subsidiary or division of a foreign parent, report sales to its parent and other affiliates not owned by this business,

**Do not** include:

- Nonoperating income such as dividends and interest
- Excise, sales, and other revenue-based taxes.

For sole proprietors, this amount is equal to that reported on line 3 of IRS Form 1040, Schedule C (receipts or sales net of returns and allowances).

Report this amount in thousands. For example, if the amount is \$150,000, please enter 150.



### **A.11 Domestic Sales and Revenues**

Question: **A.11 How much of the** <response generated from the **A.10 Total Worldwide and Domestic Sales and Operating Revenues** question> **total worldwide sales and operating revenues in 2020 sales, revenue, and grants, was attributable to or originated from domestic operations? Include sales and operating revenues to foreign customers, including foreign subsidiaries. Round to the nearest one thousand dollars. If none, report zero.**

**REPORTING INSTRUCTIONS:** For example, a U.S. manufacturing corporation sells parts to customers around the world; however, because all of its operations are located inside the United States, it reports all of its sales in this question.

If the business had no foreign operations, please report the same dollar amount as you reported in response to the **A.10 Total Worldwide and Domestic Sales and Revenues** question.

The **A.11 Domestic Sales and Revenues** question does not refer to this business's receipts from customers located in the United States, but rather the receipts generated from its operations located in the United States. If this business is owned by a foreign parent, then sales to the parent and those affiliates not owned by this business should be included.

Include sales and operating revenues to foreign customers, including foreign subsidiaries, when those sales and revenue are generated from U.S.-located operations.

Licensing revenue, including software licensing, should be assigned to the country where the corresponding intellectual property is owned.

Example: U.S. Manufacturing Corporation sells parts to customers around the world. However, because all of its operations are located inside the United States, it reports 100 percent of its sales and revenues (which is the same dollar amount as it reported in response to the **A.10 Total Worldwide and Domestic Sales and Revenues** question).

Report this amount in thousands. For example, if the amount is \$150,000, please enter 150.

### **A.12 Sources of Domestic Sales and Revenues**

Question: **A.12 Approximately what share of this business's** <response generated from the **A.11 Domestic Sales and Revenues** question> **in 2020 domestic sales and revenues, including grants, came from the following? If none, report zero.**

- a. Selling goods to customers, including other businesses
- b. Selling services to customers, including other businesses
- c. Licensing
- d. Grants
- e. Other (specify)

The question asks how this business earned its revenue by: (a) selling physical goods, including software; (b) selling services; (c) licensing intellectual property; (d) receiving grants; or (e) from some other source. The total should equal 100 percent. If you select “(e) other,” please specify that source of revenue or sales in the space provided.

### **A.13 Types of Customers**

Question: **A.13 In 2020, which of the following types of customers accounted for 10% or more of this business’s total sales of goods and/or services? *Select all that apply.***

Assign one category per customer when categorizing the type(s) of customers that contributed to this business’s total sales of goods and/or services in 2020. Do not classify any one customer under two categories. For example, one customer should not fit into both the “U.S. Federal government” and the “Other businesses, including distributors of your product(s)” categories.

### **A.14 Types of Workers**

Question: **A.14 In 2020, which of the following types of workers were used by this business? *Select all that apply.***

Assign one category per worker for both W-2 paid workers and workers who did not receive a W-2, when categorizing the types of workers used by this business. Do not classify any one worker under two categories. For example, if a “Paid day laborer” later became a “Full-time paid employee,” select the one category that best describes this worker in 2020.

### **A.15 Franchise Operation**

Question: **A.15 In 2020, did all or part of this business operate as a franchise?**

Answer “Yes” if all or part of its operations were overseen by an overarching company in 2020, which provided the business with its trade name, products, services, and/or techniques for running the business, for an agreed-upon fee.

### **A.16 Working from Home**

Question: **A.16 In 2020, did this business allow any employees to work from home?**

This question asks if this business offered a work-from-home arrangement, such as telecommuting, to any of its employees in 2020, whose job duties permitted it. Please include employees only, that is, employees or owners who receive a W-2. Do not include contractors, subcontractors, independent contractors, outside consultants, and temporary workers.

Select “Yes” when at least one employee had both the capability and the business’s permission to perform job duties at his or her private residence in 2020, regardless of whether the employee chose to work from home.

Select “No” when working from home was never a viable option for any employee in 2020. For example, all employees’ job duties required full on-site presence at a construction site, a manufacturing plant, a warehouse, a storefront property, a commercial facility, or a customer’s/client’s location in 2020.

#### **A.17 Percent of Employees Working from Home**

**Question: A.17 In 2020, what percent of all employees at this business worked from home at the following frequencies? *If none, report 0. Estimates are acceptable.***

Thinking only of this business’s employees who were allowed to work from home in 2020, calculate the proportions of employees who worked at home on a weekly schedule. For situations regarding working at home that changed during the year, please use the most frequent work-at-home situation.

For “Never” in item a., calculate the proportion of eligible, work-from-home employees who did no at-home job duties in 2020.

Items a. through e. should total 100 percent of all employees allowed to work from home in 2020.

#### **A.18 Factors Affecting Working from Home**

**Question: A.18 In 2020, what factors limited the ability of this business’s employees to work from home? *Select all that apply.***

This question asks about circumstances affecting the performance of job duties at employees’ private residences in 2020.

#### **A.19 Primary Business Activity**

**Question: A.19 Describe this business’s primary business activity during 2020.**

Write a brief, but comprehensive description of the chief economic activity conducted by this business in 2020, for the primary purposes of earning a profit and/or increasing the value of the business to its owner(s).

## SECTION B: OWNER CHARACTERISTICS

The ABS is one of the only sources of statistics about the owner characteristics of approximately 6 million U.S. employer businesses. This information has been proven useful in helping to understand changes taking place in our dynamic and growing economy. In addition to comparing business owner demographics, the results will help to summarize changes in business performance and highlight conditions of business success and failure, as well as compare minority-/nonminority-, women-/men-, and veteran-/nonveteran-owned businesses.

The ethnicity and race categories in this section of the questionnaire are consistent with those mandated by the Office of Management and Budget (OMB). Both the Executive and Legislative Branches of the Federal Government developed these standards.

Based on information reported in **SECTION A: COMPANY INFORMATION**, you may be asked to complete **SECTION B: OWNER CHARACTERISTICS** by providing the characteristics for up to four people (1-4) owning this business in 2020. In this section, each question is listed by Section letter, an Owner designation (1-4 or an X variable, as applicable), followed by a Question number. Otherwise, the survey will automatically skip to **SECTION C: GOODS, SERVICES, AND BUSINESS PROCESSES**.

### **B.1 Percent Ownership**

Question: **B.1 For the person(s) owning the largest percentage(s) in this business in 2020, please list each person's name and percentage owned.**

- *Do not report percentages owned by parent companies, estates, trusts, or other entities.*
- *If more than 4 people owned this business equally, select any 4 people.*
- *Round percentages to whole numbers. For example, report 1/3 ownership as 33%.*

This question asks how much each owner owns of this business, as a percent of total ownership. The four owners with the greatest stake in the business should report. The percentages do not need to total to 100 percent, but should not exceed 100 percent.

If there are no people who own at least 10 percent of this business (for example, if this business is owned fully by a parent company), please return to the **A.6 Business - 10% or More Ownership** question and select "No." The survey will subsequently skip this section entirely.

#### **B.1-4.1 Sex**

Question: **B.X.1 What is the sex of Owner X?**

This question asks for one selection to describe the sex of the owner.

### **B.1-4.2 Ethnicity**

Question: **B.X.2 Is *Owner X* of Hispanic, Latino, or Spanish origin?**

The definition of a person of Hispanic, Latino, or Spanish origin is a person of Cuban, Mexican, Puerto Rican, South or Central American, or other Spanish culture or origin, regardless of race.

### **B.1-4.3 Race**

Question: **B.X.3 What is *Owner X*'s race? *Select all that apply. (For this survey, Hispanic origins are not races.)***

The U.S. Census Bureau must adhere to the 1997 Office of Management and Budget (OMB) standards on race and ethnicity which guide the Census Bureau in classifying written responses to the race question. Race categories are defined as:

White. A person having origins in any of the original peoples of Europe, North Africa, or the Middle East.

Black or African American. A person having origins in any of the black racial groups of Africa.

American Indian or Alaska Native. A person having origins in any of the original peoples of North and South America (including Central America), and who maintains tribal affiliation or community attachment.

Asian. A person having origins in any of the original peoples of the Far East, Southeast Asia, or the Indian subcontinent including, for example, Cambodia, China, India, Japan, Korea, Malaysia, Pakistan, the Philippine Islands, Thailand, and Vietnam.

Native Hawaiian or Other Pacific Islander. A person having origins in any of the original peoples of Hawaii, Guam, Mariana Islands, Samoa, or other Pacific Islands.

An owner's response to the race question is based upon self-identification. Owners with more than one race may choose to provide multiple races in response to the race question. For example, if an owner identifies as "Asian" and "White," respond by selecting the appropriate boxes that describe the owner's racial identity and/or report these identities in the write-in spaces provided.

#### **B.1-4.4 Military Service**

Question: **B.X.4** Has *Owner X* ever served in any branch of the U.S. Armed Forces, including the Coast Guard, the National Guard, or a Reserve component of any service branch?

If you answer “No,” you will be directed to the **B.X.7 Initial Acquisition Year** question.

#### **B.1-4.5 Military Service Disability**

Question: **B.X.5** Is *Owner X* disabled as the result of illness or injury incurred or aggravated during military service?

Select the "Yes" box if the person has a Department of Veterans Affairs (VA) service-connected disability rating.

#### **B.1-4.6 Other Military Service**

Question: **B.X.6** Do any of the following characteristics describe *Owner X*’s military service? *Select all that apply.*

This question is asked of respondents that reported yes to B.X.4 Military Service. For each of the characteristics listed, select all that apply to the owner for which you are reporting.

#### **B.1-4.7 Initial Acquisition Year**

Question: **B.X.7** In what year did *Owner X* initially acquire ownership of this business?

This question asks what year *Owner X* acquired the business. This includes, but is not limited to, creating the business, buying the business, and inheriting the business.

#### **B.1-4.8 Primary Income Source**

Question: **B.X.8** In 2020, did this business provide *Owner X*’s primary source of personal income?

This question asks if this business supplied most of *Owner X*’s personal income, i.e., the highest source of income. If another venture other than the business named in the address label or survey provided more personal income for *Owner X*, please answer “No” to this question.

#### **B.1-4.9 Prior Business Ownership**

Question: **B.X.9 Not including this business, what is the status of the previous business *Owner X* started most recently?**

This question asks for the current standing of the immediate past business that Owner X established, but did not purchase. For example, if Owner X started a business in 1990 and bought a business in 1995, this question refers to the business started in 1990. If Owner X has no history of establishing any business, select “This is the owner’s first business.”

#### **B.1-4.10 Education Prior to Owning this Business**

Question: **B.X.10 Prior to establishing, purchasing, or acquiring this business, what was the highest degree or level of school *Owner X* completed? *Select ONE box only.***

- Less than high school / secondary school graduate
- High school / secondary school graduate - Diploma or GED
- Technical, trade, or vocational school
- Some college, but no degree
- Associate Degree (for example, AA, AS)
- Bachelor’s Degree (for example, BA, BS)
- Master’s Degree (for example, MA, MEng, Med, MSW, MBA)
- Doctorate Degree (for example, PhD, EdD)
- Professional Degree, beyond a Bachelor’s Degree (for example, MD, DDS, DVM, LLB, JD)

Report schooling completed in foreign or ungraded schools as the equivalent level of schooling in the typical American school system.

For the **Professional Degree, beyond a Bachelor’s Degree** category, do not include certificates or diplomas for training in specific trades or occupations, such as computer and electronics technology, medical assistant, or cosmetology. Do not include post-bachelor’s certificates that are related to occupational training in such fields as teaching, accounting, or engineering.

If you do not report having at least a Bachelor’s Degree, you will be directed to the **B.X.12 Age** question.

#### **B.1-4.11 Field of Highest Degree Prior to Owning this Business**

Question: **B.X.11 Prior to establishing, purchasing, or acquiring this business, what was the field of the highest degree completed for *Owner X*? *Select all that apply.***

Please indicate the specialized area(s) of study of the most advanced degree that the Owner achieved, prior to establishing, purchasing, or acquiring this business. The degree field(s) chosen

here should correspond to the highest degree selected in response to the **B.X.10 Education Prior to Owning the Business** question.

#### **B.1-4.12 Age**

Question: **What was the age of Owner X as of December 31, 2020?**

Select the age as of the date referenced for the owner of which you are reporting.

#### **B.1-4.13 Place of Birth**

Question: **B.X.13 Was *Owner X* born in the United States?**

“United States” refers to the fifty states, the District of Columbia, and the U.S. territories and various possessions.

Please answer this question and the **B.X.14 U.S. Citizenship** question. Data will be used only for statistical purposes and responses will be summarized to fully protect the confidentiality of individual respondents and their businesses.

#### **B.1-4.14 U.S. Citizenship**

Question: **B.X.14 Is *Owner X* a citizen of the United States?**

“A citizen of the United States” refers to a person who is either (1) a citizen born in the United States; (2) a citizen born in Puerto Rico, Guam, the U.S. Virgin Islands, or Northern Marianas; (3) a citizen born abroad of U.S. citizen parent or parents; or (4) a U.S. citizen by naturalization (the legal act or process by which a noncitizen in a country may acquire citizenship or nationality of that country).

Please answer this question and the **B.1.X.13 Place of Birth** question. Data will be used only for statistical purposes and responses will be summarized to fully protect the confidentiality of individual respondents and their businesses.

#### **B.1-4.15 Reasons for Owning this Business**

Question: **B.X.15 How important to *Owner X* is each of the following reasons for owning this business? *Select one (Very Important / Somewhat Important / Not Important) for each row.***

- **Wanted to be my own boss**
- **Flexible hours**
- **Balance work and family**
- **Opportunity for greater income**
- **Best avenue for my ideas/goods/services**
- **Unable to find employment**



- Working for someone else didn't appeal to me
- Always wanted to start my own business
- An entrepreneurial friend or family member was my role model
- Wanted to carry on the family business
- Wanted to help and/or become more involved in my community
- Other (specify)

Indicate the level of importance you consider for each row. If the reason provided is not applicable, please select "Not Important." By selecting "Very Important" or "Somewhat Important" in the row for **Other (specify)**, you are asked to describe the reason in the space provided.

The following question(s) will be asked when owner characteristics have been reported for *Owner 2*, *Owner 3*, and/or *Owner 4*:

### **B.5 One Family Majority Ownership**

Question: **B.5 In 2020, did two or more members of one family own the majority of this business? (Family refers to spouses / unmarried partners, parents / guardians, children, siblings, or close relatives.)**

In general, "family" consists of those related to each other by birth, marriage, or adoption. Same-sex couples can self-identify as "family."

### **B.6 Joint Ownership**

Question: **B.6 In 2020, did spouses / unmarried partners jointly own this business?**

"Spouses/unmarried partners" include business owners who shared living quarters in 2020 and who also had an intimate relationship with each other. Same-sex couples can self-identify themselves by answering "Yes" to the **B.5 One Family Majority Ownership**, the **B.6 Joint Ownership**, and the **B.7 Equal Ownership** questions.

### **B.7 Equal Operation**

Question: **B.7 In 2020, was this business operated equally by both spouses / unmarried partners?**

"Spouses/unmarried partners" include business owners who shared living quarters in 2020 and who also had an intimate relationship with each other. Same-sex couples can self-identify themselves by answering "Yes" to the **B.5 One Family Majority Ownership**, the **B.6 Joint Ownership**, and the **B.7 Equal Ownership** questions.

## SECTION C: RESEARCH ACTIVITIES AT NONPROFIT ORGANIZATIONS

The following section collects information from nonprofit organizations headquartered in the United States and asks about their performance and/or funding of research for the fiscal year ending in 2020. For the purposes of this survey, your organization is defined as all units included in the organization's filing (or future filing) of one of the following Internal Revenue Service (IRS) forms for its fiscal year 2020:

- IRS Form 990, **Return of Organization Exempt from Income Tax under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except private foundations)**
- IRS Form 990-PF, **Return of Private Foundation, or Section 4947 (a)(1) Trust Treated as Private Foundation**

Use or adapt information to U.S. Generally Accepted Accounting Principles (U.S. GAAP) as recognized by the Financial Accounting Standard Board (FASB) when reporting for this organization. *Estimates are acceptable. Report all items to the best of your ability.*

### **C.1 Nonprofit Organizations: Organization Affiliation**

Question: **C.1 Is your organization affiliated with or considered part of another for-profit, nonprofit, or higher education organization? For example, a specific hospital foundation, university research entity, etc.**

This question asks if the organization named in the mailing label is attached or associated with a different organized legal entity. Responses to this question may help to eliminate double counting in cases where related organizations are asked to respond to this survey. If "Yes," please enter the organization affiliation name in the space provided.

### **C.2 Nonprofit Organizations: Total Expenses**

Question: **C.2 What was the consolidated total amount of your organization's expenses for 2020 as (would be) reported on your IRS Form 990s, line 18, or IRS Form 990-PFs, line 26 total expenses and disbursements for column (a) revenue and expenses per books? Round to the nearest one thousand dollars. If none, report zero.**

This question asks for this organization's total expenses (in thousands) and provides the line number from this organization's 2020 IRS report form(s) where this dollar amount is reported. Report this amount in thousands. For example, if the amount is \$150,000, please enter 150.

### **C.3 Nonprofit Organizations: Number of Employees**

Question: **C.3 For the pay period including March 12, 2020, how many people worked for your organization?**

***Include:***

- ***Full- and part-time employees.***

***Exclude:***

- ***Temporary employees and consultants.***

Please count each person only once and report the total number of full- and part-time employees who worked for this organization during the pay period including March 12, 2020 and were issued a 2020 W-2 form for full- or part-time employment.

### **C.4 Nonprofit Organizations: Fiscal Year End**

Question: **C.4 In what month did your organization's Fiscal Year (FY) 2020 end?**

Report the last month of the one-year period ending in 2020, which was used for financial reporting.

## **Section C: Research Activities at Nonprofit Organizations Instructions**

**The next questions ask about research performed and/or funded by your organization. Please read the information below before continuing.**

**By research we mean...**

For the purposes of this survey, research includes **research and experimental development**.

**Research and experimental development** comprise creative and systematic work to:

- Increase the stock of knowledge, including knowledge of humankind, culture, and society OR
- Devise new applications of available knowledge, including materials, products, devices, processes, systems, or services

**Research activities must be...**

- **Novel:** projects that advance current knowledge or create new knowledge
- **Creative:** projects focused on original concepts and hypotheses
- **Uncertain:** project outcomes are unable to be completely determined at the outset
- **Systematic:** projects are planned and budgeted
- **Transferable/Reproducible:** project methodology and results are transferable/reproducible to other situations and locations

**May meet the criteria for research**

- Laboratory or animal studies
- Clinical trials
- Prototype development
- Outcomes research
- Development/measurement of new methods to deliver/measure social service outcomes
- Policy research
- Humanities research
- Research traineeships
- Other experimental studies

**Most likely do not meet the criteria for research**

- Internal program monitoring or evaluation
- Public service grants or outreach programs
- Education or training programs
- Quality control testing
- Market research
- Management studies./efficiency surveys
- Literary, artistic, or historical projects, such as films, music, or books and other publications
- Feasibility studies, unless included as part of an overall research project

**How should costs related to clinical trials of experimental drugs and devices be reported on this survey?**

In general, a clinical trial—the testing of a medical intervention in human patients to determine its safety and efficacy—is considered a research and development activity by this survey. However, not all organizations involved in clinical trials are required to report costs for these activities on this survey. Specifically, hospitals, clinics, and other health-related organizations with employees whose only role in the clinical trial is to follow the study protocols, monitor patients, and collect data generally should report 0 (zero) R&D for these activities. These organizations should only report compensation for clinical trials if the employees' role in the studies extends beyond monitoring his/her own patients to the development and management of overall study protocols, such as when they are a primary investigator in a study.

See below for more examples of how costs for clinical trial activity should be reported on this survey:

Clinical trial activity	Reporting instructions for the hospital
A hospital pays a contract research organization (CRO) in FY 2020 to manage an early phase trial to manage an early phase trial for a medical device developed by a hospital employee.	<ul style="list-style-type: none"> <li>• Select “Yes” in response to the <b>C.6 Research Performed by Others</b> question.</li> <li>• Include costs paid to the CRO in FY 2020 in question C.15.</li> </ul>
A hospital receives a federal government grant to test the use of a chemotherapy approved to treat lymphoma to treat a different type of cancer. The primary investigators are hospital employees.	<ul style="list-style-type: none"> <li>• Select “Yes” in response to the <b>C.5. Research Performed by Your Organization</b> question.</li> <li>• Include costs spent on the study in FY 2020 in questions C.7, C.8 a, C.9 b, and C.10 c column 1.</li> </ul>
A hospital agrees to act as a research site for a phase III clinical trial of a new Covid-19 vaccine developed by a pharmaceutical company. Hospital employees follow the	<ul style="list-style-type: none"> <li>• Select “No” in response to the <b>C.5 Research Performed by Your Organization</b> question UNLESS the hospital has other in-scope research</li> </ul>

study protocols, monitor patients, and collect data, but are not involved in the overall design and management of the study.	activities. <ul style="list-style-type: none"> <li>Do not include costs spent on the study in FY 2020 when responding to the <b>C.7 Funding for Research Performed by This Organization</b> question.</li> </ul>
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### **C.5 Nonprofit Organizations: Research Performed by Your Organization**

Question: **C.5 Did your organization perform research in FY 2020?**

***Include:***

- Research performed by your organization’s employees or contract employees. (Contract employees are individuals contracted to work on projects otherwise fully performed by your organization’s staff.)***

***Exclude:***

- Research performed outside your organization by subcontractors or subawardees. (Report in C.6 Research Performed by Others.)***

This question asks the organization to indicate whether it paid any employee to perform any of a variety of activities considered to be research. **Report only for fiscal year 2020.**

### **C.6 Nonprofit Organizations: Research Performed by Others**

Question: **C.6 Did your organization fund research performed by others outside your organization in FY 2020?**

***Include:***

- All grants, contracts, subcontracts, and subawards awarded by your organization to external recipients to perform research.***

***Exclude:***

- Research performed by contract employees.***

This question asks the organization to indicate whether it paid or financed any person who was not an employee of the organization to perform any of a variety of R&D activities.

If “Yes” is selected and “No” has been selected in response to the **C.5 Nonprofit Organizations: Research Performed by Your Organization** question, this survey will automatically skip to the **C.15 Nonprofit Organizations: Funding For Research Performed By Other Organizations** question.

If “No” is selected and “No” has also been selected in response to the **C.5 Nonprofit Organizations: Research Performed by Your Organization** question, this survey will automatically skip to the **C.16 Nonprofit Organizations: Burden Estimate** question.  
**C.7 Nonprofit Organizations: Funding for Research Performed by This Organization**

Question: **C.7** In FY 2020, how much was spent on research performed within your organization? *Round to the nearest one thousand dollars. If none, report zero.*

***Include:***

- *Direct costs, such as salaries and wages, travel, equipment, supplies, consulting, and other expenditures directly supporting your organization’s research projects.*
- *Indirect costs associated with research expenditures, such as general and administrative salaries and wages, fringe benefits, facility costs, depreciation, etc. These should be calculated using your organization’s applicable fringe, overhead, and General and Administrative (G&A) or Facilities and Administrative (F&A) rates.*

***Exclude:***

- *Capital expenditures (i.e., costs for construction or renovation of facilities).*
- *Payments/funds in excess of the actual cost of the research work performed (e.g., fees).*
- *Payments made by your organization to subcontractors or subawardees performing research outside your organization.*

The value you enter will be multiplied by 1,000. For example, if this organization paid \$150,000 for research performed within the organization, please type the number 150 as your answer, as this is registered as \$150,000.

**C.8 Nonprofit Organizations: Research Funding Sources**

Question: **C.8** How much of the <response generated by the **C.7 Nonprofit Organizations: Funding for Research Performed by This Organization** question> in funding for research performed by this organization came from each of the following sources? *Round to the nearest one thousand dollars. If none, report zero.*

- a. **Federal government:** Any agency of the United States government. Include subcontract or subaward funds your organization received for research activities on federal projects.
- b. **State and local government:** Any state, county, municipality, or other local government entity in the United States.
- c. **Businesses:** Domestic or foreign for-profit organizations. Report funds from a company’s nonprofit foundation in Row d.
- d. **Foundations:** Domestic or foreign nonprofit grant-making organizations.

- e. **Universities:** Domestic or foreign degree-granting institutions.
- f. **All other nonprofits:** Domestic or foreign public charities and other nonprofit organizations not reported in Row d. or Row e.
- g. **Internal funds:** Your organization's own funds from your endowment, general donations, or other unrestricted sources.

The total is calculated and displayed on the screen of the online report form. The total should equal the amount entered for '**C.7 Nonprofit Organizations: Funding for Research Performed by This Organization.**' If the calculated value is incorrect, please revisit the **C.7 Nonprofit Organizations: Funding for Research Performed by This Organization** question and adjust your answer accordingly.

### **C.9 Nonprofit Organizations: Field of Research**

Question: **C.9 How much of the <response generated from the C.7 Nonprofit Organizations: Funding for Research Performed by This Organization question> in funding for research performed by this organization was spent in each of the following fields? Round to the nearest one thousand dollars. If none, report zero.**

- a. **Agricultural Sciences and Natural Resources and Conservation:** e.g., Agricultural sciences, Animal sciences, Applied horticulture, Fishing and fisheries science, Food science and technology, Forestry, Natural resources and conservation, Plant sciences, or Soil sciences
- b. **Biological, Biomedical, and Health Sciences:** e.g., Biochemistry, biophysics, molecular biology; Biotechnology; Botany; Cell biology; Epidemiology; Genetics; Medicine; Neuroscience; Public health; Veterinary medicine; or Zoology
- c. **Engineering:** e.g., Aerospace, aeronautical, and astronautical engineering; Bioengineering and biomedical engineering; Chemical engineering; Civil engineering; Electrical, electronic, and communications engineering; Industrial and manufacturing engineering; Mechanical engineering; or Metallurgical and materials engineering
- d. **Geosciences, Atmospheric Sciences, and Ocean Sciences:** e.g., Atmospheric sciences and meteorology, Geological and earth sciences, or Ocean and marine sciences
- e. **Mathematics, Statistics, and Computer and Information Sciences:** e.g., Computer sciences, Information sciences, Information technology, Mathematics, or Statistics
- f. **Physical Sciences:** e.g., Astronomy and astrophysics, Chemistry, Materials science, or Physics
- g. **Psychology and Social Sciences:** e.g., Anthropology; Archaeology; City, urban, community, and regional planning; Criminology; Economics; Geography; Linguistics;

Political science and government; Psychology; Public policy analysis; or Sociology, demography, and population studies

- h. **Humanities:** e.g., English language and literature, letters; Foreign languages and literature; History; or Philosophy and religious studies
- i. **Other Fields:** e.g., Business management and business administration, Communication and communications technologies, Education, Law, Library science, Social work, or Visual and performing arts

The total is calculated and displayed on the screen of the online report form. The total should equal the amount entered for '**C.7 Nonprofit Organizations: Funding for Research Performed by This Organization.**' If the calculated value is incorrect, please revisit the **C.7 Nonprofit Organizations: Funding for Research Performed by This Organization** question and adjust your answer accordingly.

### **C.10 Nonprofit Organizations: Research Performance**

Question: **C.10 How much of the <response generated by the C.7 Nonprofit Organizations: Funding for Research Performed by This Organization question> in funding for research performed by this organization was for basic research, applied research, and experimental research? Round to the nearest one thousand dollars. If none, report zero.**

#### **Examples**

##### **Basic research**

A researcher is studying the properties of human blood to determine what affects coagulation.

A researcher is studying the properties of molecules under various heat and cold conditions.

A researcher is investigating the effect of different types of manipulatives on the way first graders learn mathematical strategy by changing manipulatives and then measuring what students have learned through standardized instruments.

##### **Applied research**

A researcher is conducting research on how a new chicken pox vaccine affects blood coagulation.

A researcher is investigating the properties of substances under various heat and cold conditions with the objective of finding longer-lasting components for highway pavement.

A researcher is studying the implementation of a specific math curriculum to determine what teachers need to know to implement the curriculum successfully.

##### **Experimental development**

A researcher is conducting clinical trials to test a newly developed chicken pox vaccine for young children.

A researcher is working with state transportation officials to conduct tests of a newly developed highway pavement under various types of heat and cold conditions.

A researcher is developing and testing software and support tools, based on fieldwork, to improve mathematics cognition for student special education.



Answer options include **(1) Federal / (2) Nonfederal / (3) Total.**

- a. **Basic research:** Experimental or theoretical work undertaken primarily to acquire new knowledge of the underlying foundations of phenomena and observable facts, without any particular application or use in view.
- b. **Applied research:** Original investigation undertaken in order to acquire new knowledge. It is directed primarily towards a specific, practical aim or objective.
- c. **Experimental development:** Systematic work, drawing on knowledge gained from research and practical experience and producing additional knowledge, which is directed to producing new products or processes or to improving existing products or processes.

The total for column (1) should equal the amount entered for ‘**C.8a Research Funding Sources – Federal Government.**’ The total for column (3) should equal the amount entered for ‘**C.7 Nonprofit Organizations: Funding for Research Performed by This Organization.**’

#### **C.11 Nonprofit Organizations: Research Employees for Nonprofit Organizations**

Question: **C.11 Of the <response generated by the C.3 Nonprofit Organizations: Number of Employees question> employees reported, how many worked on *research activities* in FY 2020?**

***Include:***

- ***Only your organization’s paid employees.***

***Exclude:***

- ***Contract employees. (Report in C.13 Research Contract Employees for Nonprofit Organizations.)***

- a. **Researchers (including scientists, engineers, and their managers):** Professionals engaged in the conception or creation of new knowledge.
- b. **Research technicians and other support personnel:** Staff who work under the supervision of researchers to conduct research activities.
- c. **Other support personnel (clerical and other):** Staff who provide direct support services for the research project.

This question refers to your earlier answer to the **C.3 Nonprofit Organizations: Number of Employees** question, which asks the nonprofit to report its total number of R&D employees.

#### **C.12 Nonprofit Organizations: Research Full-Time Equivalents for Nonprofit Organizations**

Question: **C.12 How many full-time equivalents (FTEs) worked on *research activities* in FY 2020?**

***FTE research personnel are calculated as the total working (paid) hours spent working on research during a specific reference period (usually a calendar year) divided by the number of hours representing a full-time schedule within the same period. Include only your organization's paid employees. For example, if you have three people working 20, 30, and 40 hours in a week on research activities and a full-time schedule is 40 hours a week at your organization, your research FTE calculation is  $(20 + 30 + 40)/40 = 2.25$  FTE.***

- a. **Researchers (including scientists, engineers, and their managers):** Professionals engaged in the conception or creation of new knowledge.
- b. **Research technicians and other support personnel:** Staff who work under the supervision of researchers to conduct research activities.
- c. **Other support personnel (clerical and other):** Staff who provide direct support services for the research project.

The calculation of full-time equivalent employees from the overall headcount accounts for employees who work part-time as well as those employees who split their time between R&D and other activities.

When estimating the number of full-time equivalents, round to the nearest tenth of a decimal. For example, if your nonprofit had one full-time R&D employee working 40 hours a week and two part-time R&D employees each working 5 hours a week, the answer to this question would be the full-time equivalent of 1.25 R&D employees  $[(40 + 5 + 5)/40 = 50/40 \text{ or } 1.25]$ . As another example, if your nonprofit had only one part-time R&D employee working 3 hours a week, the answer to this question would be the full-time equivalent of 0.1 R&D employee  $[3/40 = 0.075]$ , which rounds to 0.08].

The purpose of this question is to accurately measure the amount of effort employees are devoting to R&D in the nonprofit sector.

### **C.13 Nonprofit Organizations: Research Contract Employees for Nonprofit Organizations**

Question: **C.13 a. Did any contract employees work on your *research activities* in FY 2020?**

***Contract employees are individuals contracted to work on projects otherwise fully performed by your organization staff.***

**b. If yes, how many contract employees worked on your *research activities* during FY 2020?**

If yes, please count each person only once and report the total number of paid contract employees who performed the research activities of this organization during FY 2020.

### **C.14 Nonprofit Organizations: Research Volunteers for Nonprofit Organizations**

Question: **C.14 a. Did any volunteers work on your *research activities* in FY 2020?**

*Volunteers are unpaid workers contributing appreciable and essential activity to research performed by your organization. Their research skills should be comparable to those of your employees. Individuals funded by other sources to conduct research at your organization should not be considered volunteers.*

**b. If yes, how many volunteers worked on your research activities during FY 2020?**

If yes, please count each person only once and report the total number of unpaid workers who performed the research activities for this organization during FY 2020.

If “No” is selected, this survey will automatically skip to the **C.16 Nonprofit Organizations: Burden Estimate** question.

### **C.15 Nonprofit Organizations: Funding for Research Performed by Other Organizations**

Question: **C.15** In FY 2020, how much funding did your organization provide to others to perform research activities?

*Include:*

- *All grants, contracts, subcontracts, and subawards awarded by your organization to external recipients to perform research.*
- *For multi-year awards, include only the amount paid to the external recipient in FY 2020.*

*Exclude:*

- *Research performed by contract employees.*
- a. **Research grants or contracts:** Include grants and contracts awarded by your organization to external recipients to perform independent research.
  - b. **Subcontracts and subawards:** Include subcontracts and subawards awarded by your organization to external recipients to support your research activities.

**If you would like to add additional detail or clarification to your response, please comment in the space provided.**

The value you enter will be multiplied by 1,000. For example, if this organization paid \$150,000 in funding for research performed by other organizations, please type the number 150 as your answer, as this is registered as \$150,000.

### **C.16 Nonprofit Organizations: Burden Estimate**

Question: **C.16** What was the total amount of staff time it took your organization to complete this section?

*Include:*

- ***The time spent reading the instructions, working on the questions, and obtaining information.***
- ***The time spent by all employees in collecting and providing this information.***

Send any comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to [erd.survey.comments@census.gov](mailto:erd.survey.comments@census.gov). Be sure to type "ERD Survey Comments 0607-1004" in the subject line of your email.

## SECTION D: RESEARCH AND DEVELOPMENT FOR MICROBUSINESSES

The following section collects information on research and development activity from businesses with W-2 employment between 1 and 9.

**Reporting for “domestic operations”** - In this survey, “domestic operations” refers to this business’s operations located in the 50 United States and the District of Columbia. When reporting for domestic operations, include transactions with foreign subsidiaries. Include all your majority-owned subsidiaries and divisions located in the domestic United States.

**Reporting instructions for “foreign-owned companies”** - If this business is owned by a foreign parent, the reporting unit for this survey is your U.S.-located company. For reporting purposes, this business’s foreign parent and any other foreign affiliates this business owns should be treated the same as any business partner, customer, or supplier you do not own.

If you pay this business’s foreign parent for R&D services or if this business’s foreign parent pays or reimburses this business for R&D services, those costs should be included in the response to the questions in this section.

### What is Research and Development (R&D)?

Research and development (R&D) comprises creative and systematic work undertaken in order to increase the stock of knowledge and to devise new applications of available knowledge. This includes:

- a) Activities aimed at acquiring new knowledge or understanding without specific immediate commercial applications or uses (basic research);
- b) Activities aimed at solving a specific problem or meeting a specific commercial objective (applied research); and
- c) Systematic work, drawing on research and practical experience and resulting in additional knowledge, which is directed to producing new products or processes or to improving existing products or processes (development).

R&D includes both direct costs, such as salaries of researchers, as well as administrative and overhead costs clearly associated with the company’s R&D.

The term R&D does NOT include expenditures for:

- Costs for routine product testing, quality control, and technical services unless they are an integral part of an R&D project
- Market research
- Efficiency surveys or management studies
- Literary, artistic, or historical projects, such as films, music, or books and other publications

- Prospecting or exploration for natural resources

### **Does R&D include development of software and Internet applications?**

R&D activity in software and Internet applications refers only to activities with an element of uncertainty and that are intended to close knowledge gaps and meet scientific and technological needs. Report in this survey all software R&D as defined here regardless of the eventual user (internal or external).

### **R&D activity in software INCLUDES:**

- Software development or improvement activities that expand scientific or technological knowledge
- Construction of new theories and algorithms in the field of computer science

### **R&D activity in software EXCLUDES:**

- Software development that does not depend on a scientific or technological advance, such as
  - supporting or adapting existing systems
  - adding functionality to existing application programs, and
  - routine debugging of existing systems and software
- Creation of new software based on known methods and applications
- Conversion or translation of existing software and software languages
- Adaptation of a product to a specific client, unless knowledge that significantly improved the base program was added in that process

**Reporting unit.** The reporting unit is this business, including all subsidiaries and divisions, domestic and foreign. Include subsidiary companies where there is more than 50 percent ownership.

**Reporting period.** Report data for the calendar year 2020, if possible, or for this business's fiscal year ending between April 2020 and March 2021.

**Estimates are acceptable.** Report all items to the best of your ability.

### **D.1 R&D Activities**

Question: **D.1 During 2020, did this business do any of the following R&D activities?**

***Include activities that:***

- ***This business performed***
- ***Others paid this business to do***
- ***This business paid others to do***

***Select one (Yes or No) for each row.***

- a. Conducted activities aimed at acquiring new knowledge or understanding without specific immediate commercial applications or uses
- b. Conducted activities aimed at acquiring new knowledge for solving a specific problem or meeting a specific commercial objective
- c. Conducted systematic work, drawing on research and practical experience and resulting in additional knowledge, which is directed to producing new products or processes or to improving existing products or processes
- d. Developed and tested goods, services, or processes that were derived from scientific research or technical findings
- e. Developed software that advanced scientific or technological knowledge
- f. Produced findings that could be published in academic journals or presented at scientific conferences
- g. Applied scientific or technical knowledge in a way that has never been done before
- h. Created new scientific or technical solutions that can be generalized to other situations
- i. Conducted work to discover previously unknown technological facts, structures, or relationships
- j. Conducted work to extend the understanding of scientific facts, relationships, or principles in ways that could be useful to others

This question asks the business to indicate whether it had any of a variety of activities considered to be research and development (R&D). **Report only for the year 2020.**

If “No” is selected for items a. through j., the survey will automatically skip to **SECTION E: DOMESTIC AND FOREIGN TRANSACTIONS**.

## **D.2 R&D Costs**

Question: **D.2 What was the total cost (both direct and indirect) in 2020 for all the R&D activities reported as “Yes” in the ‘R&D ACTIVITIES’ question? *Your best estimate is acceptable. Report dollar amount in thousands. If none, report zero.***

**Include the following costs:**

- Salaries, wages, fringe benefits
- Plant, machinery, and equipment, except that which was capitalized because it had an alternative future use
- Materials, supplies, software
- Rent, utilities
- Consultants, contractors

- Depreciation expense from plant, machinery, and equipment that was capitalized because it had an alternative future use

**Do not include:**

- Costs for routine product testing, quality control, and technical services unless they are an integral part of an R&D project
- Market research
- Efficiency surveys or management studies
- Literary, artistic, or historical projects, such as films, music, or books and other publications
- Prospecting or exploration for natural resources

This question requests the total costs for this business's R&D activities in 2020. Total R&D costs include both direct costs, such as salaries of researchers, as well as administrative and overhead costs clearly associated with this business's R&D.

Include costs for R&D paid for by this business as well as costs for R&D paid for by others, such as customers or business partners. Also include payments made by this business for R&D services performed by (i) unrelated third parties, (ii) affiliates for which this business has less than a 50-percent ownership stake, and/or (iii) this business's foreign parent if the business is foreign-owned.

Do NOT include capital expenditures, regardless of their relation to R&D, in your response to this question.

The value you enter will be multiplied by 1,000. For example, if your business spent \$150,000 on total cost for R&D activities, please type 150 as your answer, as this is registered as \$150,000.

If less than \$50,000 is reported for the **D.2 R&D Costs** question, the survey will automatically skip to the **SECTION E: TECHNOLOGY, OPERATIONS, AND INNOVATION** section.

**D.3 Foreign R&D Costs**

**Question: D.3 During 2020, what amount, if any, of the 'D.2 R&D COSTS' was performed outside the U.S. by this business or others? Round to the nearest thousand dollars.**

This question asks how much of the business's R&D costs was performed by this or other businesses not directly located in the United States. A foreign-owned parent of the business is classified as a business outside of the U.S., and any funds directed to the parent for R&D purposes should be included in the answer to this question.

The value you enter will be multiplied by \$1,000. For example, if this business spent \$150,000 on total cost for foreign R&D activities, please type 150 as your answer, as this is registered as \$150,000.



#### **D.4 Domestic R&D Costs**

Question: **D.4 We calculated this business's domestic R&D costs by subtracting the amount entered for R&D costs outside the U.S. (question 'D.3 Foreign R&D Costs') from all R&D costs (question 'D.2 R&D Costs'). This value will be used in other questions in this survey.**

**This business's domestic R&D cost in 2020 is <the result of subtracting D.3 Foreign R&D Costs (performed by businesses outside the U.S.) from D.2 R&D Costs (total cost for all R&D activities)>.**

This number is calculated and displayed on the screen of the online report form. If the calculated value is incorrect, please revisit the **D.2 R&D Costs** and/or **D.3 Foreign R&D Costs** questions and adjust your answer(s) accordingly.

#### **D.5 Types of R&D Costs**

Question: **D.5 During 2020, how much of the <calculated D.4 Domestic R&D Costs> in domestic R&D costs was for each of the following types of costs? *Round to the nearest thousand dollars.***

- a. Salaries, wages, and fringe benefits
- b. Expensed machinery and equipment (not capitalized)
- c. Materials and supplies
- d. Payments to others for R&D, including purchased R&D services
- e. Depreciation on R&D property and equipment
- f. All other costs (for example, consultants, contractors, travel, rent)

**Total – 'D.4 Domestic R&D Costs'**

This question is asking you to provide a breakdown of the total costs for the business's domestic R&D activities in 2020. Total R&D costs include both direct costs such as salaries of researchers as well as administrative and overhead costs clearly associated with the business's R&D.

The total of items a. through f should equal the dollar amount from the **D.4 Domestic R&D Costs** question.

Include costs for R&D paid for by this business as well as costs for R&D paid for by others, such as customers or business partners. Also include payments made by this business for R&D services performed by (i) unrelated third parties, (ii) affiliates for which this business has less than a 50-percent ownership stake and/or (iii) this business's foreign parent if this business is foreign-owned.

Do NOT include capital expenditures, regardless of their relation to R&D, in your response to this question.

Please note that this question is asking for thousands of dollars, and the value you enter is multiplied by 1,000. For example, if your business spent \$100,000 on foreign R&D costs, please type the number 100 as your answer, as this is registered as \$100,000.

### **D.6 Domestic R&D Performance Costs**

Question: **D.6 We have calculated this business's domestic R&D performance by subtracting the payments for R&D services (item d. in question 'D.5 Types of R&D Costs') from domestic R&D costs (question 'D.4 Domestic R&D Costs'). This value will be used in the next question.**

**This business's domestic R&D performance costs in 2020 is <the result of subtracting D.5 Types of R&D Costs - d. Payments to others for R&D, including purchased R&D services from D.4 Domestic R&D Costs>.**

Another way to understand this value is the "R&D costs that weren't involved in hiring other people or businesses to perform R&D." This dollar amount is useful for understanding the difference in how this business performed its own in-house research versus out-of-house research that was contracted.

If the calculated value seems incorrect, revisit the **D.4 Domestic R&D Costs** and/or **D.5 Types of R&D Costs - d. Payments to others for R&D, including purchased R&D services** questions, and adjust your answer(s) accordingly.

If "\$0" is reported for the **D.6 Domestic Performance Costs** question, the survey will also automatically skip to the **D.9 R&D Employees** question.

### **D.7 Funding Sources for R&D Activities**

Question: **D.7 During 2020, of the <value calculated for D.6 Domestic R&D Performance Costs> in total domestic R&D performance costs, how much was paid for by the following sources? Round to the nearest thousand dollars.**

- a. This U.S. business
- b. Your foreign owner (if this business is foreign owned)
- c. Venture capital and angel financing
- d. Other businesses located within the United States
- e. Other businesses located outside the United States
- f. Universities or colleges located within the United States
- g. Nonprofit organizations located within the United States
- h. U.S. Federal government (including R&D grants)

**Which agency provided the largest share? Select one from the list below**

- Department of Defense
- National Science Foundation
- Department of Health and Human Service, including the National Institutes of Health
- Department of Energy
- NASA

- **Other agencies**
- i. **U.S., state, or local government (not including state universities)**
- j. **All other organizations outside the United States**

**Total – D.6 Domestic R&D Performance Costs**

This question asks the business to report how much of its R&D was paid for by different types of organizations. In the case of subcontracting agreements, report the original source of funding.

Example: Company Sub Inc. performs custom software development for a large defense company as a subcontractor on a U.S. Department of Defense (DOD) contract. Even though Company Sub Inc. is working directly for the defense company, it should include this cost in item g. because the DOD was the original source of funds.

If you provided an amount for item h., “U.S. Federal government,” you will be asked to indicate which agency provided the largest amount. If the federal agency that provided the funding is not listed, select “Other agencies.”

The value you enter will be multiplied by 1,000. For example, if the sources listed above paid \$150,000 in domestic R&D performance costs, please type the number 150 as your answer, as this is registered as \$150,000.

The total of items a. through i. should equal the dollar amount from the **D.6 Domestic Performance Costs** question.

**D.8 R&D Categories**

Question: **D.8 During 2020, of the <value calculated for D.6 Domestic R&D Performance Costs> in R&D domestic performance costs, how much was for the following categories?**

- a. **Basic research – activities aimed at requiring new knowledge or understanding without specific immediate commercial applications or uses**
- b. **Applied research – activities aimed at solving a specific problem or meeting a specific commercial objective**
- c. **Development – systematic work, drawing on research and practical experience and resulting in additional knowledge, which is directed to producing new products or processes or to improving existing products or processes**

**Total – D.6 Domestic R&D Performance Costs**

Research is defined as experimental or theoretical work undertaken primarily to acquire new knowledge or understanding of phenomena and observable facts. Research may be either “basic,” where the goal is primarily to acquire new knowledge or understanding of a given topic without a specific commercial application in mind, or “applied,” where the goal is to solve a specific problem or meet a specific commercial objective.

Development is defined as the systematic use of research and practical experience to produce new or improved goods, services, or processes. In simple terms, the intended output of research is ideas and the intended output of development is products.

For example, a project that aims to investigate the influence of different materials on fuel cell efficiency would be classified as basic research. A project that aims to improve fuel cell efficiency using new materials would be classified as applied research.

The total of items a. through c. should equal the dollar amount from the **D.6 Domestic Performance Costs** question.

### **D.9 Domestic R&D Employees**

Question: **D.9 For the pay period including March 12, 2020, how many employees from this business's domestic operations were R&D employees and how many were all other employees? Include owners who receive a W-2. If none, report zero.**

**R&D employees include** all employees who work on R&D or who provide direct support to R&D, such as researchers, R&D managers, technicians, clerical staff, and others assigned to R&D groups.

**Exclude** employees who provide only indirect support to R&D, such as corporate personnel, security guards, and cafeteria workers.

Previously, you indicated this business had <total value calculated for A.8 Number of W-2 Paid Domestic Employees or Employee/Owners> W-2 employees and owner/employees.

- a. **How many of those employees and owner/employees were R&D employees?**
- b. **Of the R&D employees, how many were female?**
- c. **Of the R&D employees, and how many were male?**

This question refers to your earlier answer to the **A.8 Number of W-2 Paid Domestic Employees or Employee/Owners** question. It asks the business to report its total number of R&D employees based on their sex. The total of items b. and c. should equal item a.

### **D.10 Domestic R&D Employees' Occupations**

Question: **D.10 Of the <response from D.9 R&D Employees, line a.> R&D employees, how many were:**

- a. **Researchers (including R&D scientists, engineers, and their managers)**
- b. **R&D technicians and equivalent staff**
- c. **R&D support staff (clerical and other)**
- d. **Total R&D employees**
- e. **Of the researchers reported in line a, how many had PhDs?**

***If none, report zero.***

The distinction between the different occupation categories is defined primarily by the nature of the employee's work, not the employee's level of education (with the exception being option e). Researchers are professionals engaged in the conception or creation of new knowledge, products, processes, methods, and systems and in the management of the projects concerned. Include R&D managers in the "Researchers" category.

R&D technicians and equivalent staff are persons whose main tasks require technical knowledge and experience in one or more fields of science or engineering, but who contribute to R&D by performing technical tasks under the supervision of researchers. Biostatisticians supporting clinical trials should be reported in this category even though they may hold PhDs in their field.

The main distinction between researchers and technicians is that researchers contribute more to the creative aspects of R&D whereas technicians provide technical support. As a simple example, a researcher (scientist or engineer) would design an experiment and a technician would run the experiment and assist in analyzing results.

R&D support staff are employees not directly involved with the conduct of a research project, but who support the researchers and technicians. These employees might include clerical staff, report writers, regulatory experts, quality assurance, safety trainers, and other related employees.

#### **D.11 Domestic R&D Employees Full-Time Equivalent**

Question: **D.10 What was the full-time equivalent of the <response from D.9 R&D Employees, line a.>? For full-time domestic R&D employees, use the number of employees for the FTEs. For other full-time employees not working solely on R&D or part-time employees working on R&D, use the share of full-time work week they work on R&D. Report partial FTEs in decimals. For example, report 1/2 FTE as .5.**

The headcount of full-time equivalent R&D employees should be adjusted to account for employees who work part-time, as well as those employees who split their time between R&D and other activities.

When estimating the number of full-time equivalents, round to the nearest hundredth of a decimal. For example, if your business had one full-time R&D employee working 40 hours a week and two part-time R&D employees each working 5 hours a week, the answer to this question would be the full-time equivalent of 1.3 R&D employees  $[(40 + 5 + 5)/40 = 50/40 \text{ or } 1.25, \text{ which rounds to } 1.3]$ . As another example, if your business had only one part-time R&D employee working 3 hours a week, the answer to this question would be the full-time equivalent of 0.1 R&D employee  $[3/40 = 0.075, \text{ which rounds to } 0.1]$ .

The purpose of this question is to accurately measure the amount of effort employees are devoting to R&D in the business sector.

### **D.12 Domestic Researchers' Full-Time Equivalent**

Question: **D.11 What was the full-time equivalent of the <response from D.10 R&D Employee Occupations, line a> researchers?** *Report partial FTEs in decimals. For example, report 1/2 FTE as .5.*

The headcount of researchers should be adjusted to account for employees who work part-time, as well as those employees who split their time between R&D and other activities.

When estimating the number of full-time equivalents, round to the nearest tenth of a decimal. For example, if your business had one full-time R&D researcher working 40 hours a week and two part-time R&D researchers each working 5 hours a week, the answer to this question would be the full-time equivalent of 1.3 R&D researchers  $[(40 + 5 + 5) / 40 = 50/40 \text{ or } 1.25, \text{ which rounds to } 1.3]$ .

As another example, if your business had only one part-time R&D researcher working 3 hours a week, the answer to this question would be the full-time equivalent of 0.1 R&D researcher  $[3/40 = 0.075, \text{ which rounds to } 0.1]$ .

The purpose of this question is to accurately measure the amount of effort researchers are devoting to R&D in the business sector.

### **D.13 Tax Credit for Research Activities**

Question: **D.11 Did this business file for the tax credit for increasing research activities (IRS form 6765) in 2020?**

Qualifying research expenditures as defined for this tax credit are not directly comparable to R&D expenditures collected elsewhere in this survey.

## SECTION E: TECHNOLOGY, OPERATIONS, AND INNOVATION

The following section collects information on the activities conducted by this business, including its use of technology and its introduction of new or improved goods, services, or business processes that differed significantly from the business's previous goods, services, or processes.

When answering these questions for a foreign entity, report for its U.S.-based operations only, which includes all majority-owned U.S. subsidiaries and divisions located in the domestic United States (fifty states and the District of Columbia) in 2020, unless explicitly instructed otherwise. For questions requiring dollar amounts, estimates are acceptable.

"Located in the United States" refers to domestic U.S. operations situated in the fifty states and the District of Columbia, excluding foreign countries and the U.S. territories and various possessions.

"Located outside the United States" refers to operations situated in foreign countries and the U.S. territories and various possessions.

The goods, services, or business processes must have characteristics or intended uses that are new or which provide a significant improvement over what was previously used or sold by the business. However, they can fail or take time to prove themselves.

The goods, services, or business processes need only be new or improved for the business. They could have been originally developed or used by other businesses or organizations.

The following section asks about a three-year period (2018 to 2020), instead of one year (2020) as in other sections of this survey.

### **E.1 Digital Share of Business Activity**

**Question: E.1 In 2020, did this business use a digital format for any of the following types of information? *Select one (Collected primarily in digital format / Collected, but not digitally / Did not collect / Don't know) for each row.***

- **Personnel**
- **Financial**
- **Customer feedback**
- **Marketing**
- **Supply chain**
- **Production**
- **Other (specify)**

This question asks how the business maintained its records, e.g., personnel, financial, etc., so that the business had access to the specific information it needed to operate in 2020.

Digital format refers to any electronic form, such as on a computer, tablet, or any kind of software.

If this business keeps these records but not in electronic form, please select “Collected, but not digitally.” If this business does not keep any of this type of record, please select “Did not collect.”

## **E.2 Cloud Service Purchases**

**Question: E.2 In 2020, did this business use cloud services for any of the following IT functions? Do not include software purchases with embedded cloud features (e.g., Microsoft office, Adobe). Select one (In use, primarily cloud-based / In use, but not cloud-based / Not in use / Don’t know) for each row.**

- **Security or firewall**
- **Servers**
- **Data storage and management (e.g., Amazon, Web Services, IBM Bluemix, Microsoft Azure)**
- **Collaboration and file synchronization (e.g., Dropbox, OneDrive, Google Drive)**
- **Data analysis**
- **Billing and account management**
- **Customer relationship management**
- **Other (specify)**

“The cloud” is a metaphor used to refer to how storage, servers, applications, and other computing resources no longer need to be on-site or in a physical location.

A cloud service is any service made available to users on demand via the Internet from a cloud-computing provider’s server as opposed to being provided from the business’s own on-premises servers. Cloud services are fully managed by a cloud-services provider.

Here is a table defining select IT functions:

<b>Type of information technology</b>	<b>Definition</b>
Security or firewall	System or device used to secure, monitor, and control the incoming and outgoing network traffic on any business computer by using a predetermined set of security rules.
Servers	Computer hardware or software (computer program) used to manage network resources. For example, a user may set up a server to control access to a network, send/receive e-mail, manage print jobs, or host a website.
Data storage and management	Warehousing and safekeeping of information.



Collaboration and file synchronization	Distributing or providing access to media, such as computer programs, multimedia (audio, images, and video), documents or electronic books.
Data analysis	Process of inspecting, cleansing, transforming, and modeling data with the goal of discovering useful information, informing conclusions, and supporting decision-making.
Billing and account management	Manage customer accounts, invoices, payments, and credits.
Customer relationship management	Manage interactions with customers.

If the business used cloud-based services, but not for any of the specified types of information technology in 2020, select “[IT] Not in use.”

If the business did use a specific information technology only on-site or from a physical location in 2020, select “[IT] In use, but not cloud-based.”

### **E.3 Business Technologies**

Question: **E.3 In 2020, did this business produce goods or provide services by using or applying any of the following technologies? Select one (In use / In testing, but not in use / Not in use nor testing / Don’t know) for each row.**

- **Augmented reality**
- **Automated guided vehicles (AGV) or AGV systems**
- **Machine learning**
- **Machine vision**
- **Natural language processing**
- **Radio-frequency identification (RFID) system**
- **Robotics**
- **Touchscreens/kiosks for customer interface (e.g., self-checkout, self check-in, touchscreen ordering)**
- **Voice recognition software**
- **Additive manufacturing (3D printing), including prototyping**

Here is a table defining each type of technology:

<b>Type of technology</b>	<b>Definition</b>
Augmented reality	Technology that provides a view of a real-world environment with computer-generated overlays.

Automated guided vehicles (AGV) or AGV systems	A computer-controlled transport vehicle that operates without a human driver. AGVs navigate facilities through the use of software and sensors.
Machine learning	Computer algorithms that use data to improve their predictive performance without being reprogrammed.
Machine vision	Technology used to provide image-based automatic inspection, recognition or analysis.
Natural language processing	Technology that allows a computer to process human speech or text.
Radio-frequency identification (RFID) system	A system of tags and readers used for identification and tracking. Tags store information and transmit those using radio waves. Readers may be mobile or fixed in place.
Robotics	Reprogrammable machines capable of automatically carrying out a complex set of actions.
Touchscreens/kiosks for customer interface ( <i>e.g., self-checkout, self-check-in, touchscreen ordering</i> )	A computer with a touchscreen that allows a customer to receive information or perform tasks related to the business such as registering for a service or purchasing items.
Voice recognition software	Software that converts speech to text or executes simple commands based on a limited vocabulary or executes more complex commands when combined with natural language processing.
Additive manufacturing (3D printing), including prototyping	A set of processes for joining materials (plastic, metal, concrete, or wood) to make objects, layer on layer, from three-dimensional model data.

The production process is composed of various individual tasks, each of which can be performed by either labor or some form of automation (machines). This question asks how each technology has been tested or used by this business in the production of its goods and/or services in 2020.

If this business is not using any of these technologies, select “Not in use nor testing.” If this business is testing these technologies to assist in the production of its goods or services, select “In testing, but not in use.”

#### **E.4 Activities Conducted by Unaffiliated Companies**

Question: **E.2 In 2020, did unaffiliated companies located in the United States conduct any of the following activities for this business? *Unaffiliated companies include firms such as independent contractors and suppliers. Select one (Yes or No) for each row.***

- a. Core production (cost of goods and services in your primary business activities)**
- b. Distribution and logistics (include transportation costs)**
- c. Marketing, sales/after sales services**
- d. Administrative or management functions**
- e. Research and Development (includes creative and systematic work undertaken in order to increase the stock of knowledge and to devise new applications of available knowledge)**
- f. Engineering and other technical services (includes testing and design other than R&D)**
- g. Information and Communication Technology (ICT) services**
- h. All other operating expenses**

This question asks about the performance or nonperformance of various activities for this business's domestic operations in 2020, by any U.S.-located, independent contractor or supplier with no links to this business.

An unaffiliated company or business is defined as an entity that is owned less than 10 percent, directly or indirectly, by your company (or by your foreign parent if you are foreign owned). Examples include independent contractors and suppliers.

#### **E.5 Activities Conducted by Foreign Companies**

Question: **E.3 In 2020, did any companies located outside the United States conduct any of the following activities for your business? *Companies located outside the United States may be unaffiliated or affiliated (such as a foreign affiliate or a foreign parent). Select one (Yes or No) for each row.***

- a. Core production (cost of goods and services in your primary business activities)**
- b. Distribution and logistics (include transportation costs)**
- c. Marketing, sales/after sales services**
- d. Administrative or management functions**
- e. Research and Development (includes creative and systematic work undertaken in order to increase the stock of knowledge and to devise new applications of available knowledge)**
- f. Engineering and other technical services (includes testing and design other than R&D)**
- g. Information and Communication Technology (ICT) services**
- h. All other operating expenses**

This question asks about the performance or nonperformance of various activities for this business's domestic operations in 2020, by a non-U.S.-located parent of this business or any non-U.S.-located affiliate with links to this business.

### **E.6 New or Improved Goods**

**Question: E.6 During the three years 2018 to 2020, did this business introduce to the market any new or improved goods that differed significantly from this business's previous goods? *This includes the addition of new functions or improvements to existing functions or user utility. Functions include quality, technical specifications, reliability, durability, economic efficiency during use, affordability, convenience, usability, and user friendliness. User utility includes attributes such as affordability and financial convenience.***

**Goods:** usually a tangible object, such as a smartphone, furniture, or packaged software, but also includes digital goods, such as downloadable software, music, and film. ***Exclude the simple resale of new goods or changes of a solely aesthetic nature.***

This question asks whether the business introduced any new goods (a.k.a. products) or any improved products during the time frame of 2018 to 2020. A new or improved good should differ significantly from the business's previous goods and it should have been introduced to the market, although it need not be considered commercially successful. The minimum requirement for a new good is that it must have one or more characteristics that are significantly different from those contained in goods previously offered by or used by the business. These characteristics must be relevant to the business or to external users. This includes significant improvements in technical specifications, components and materials, software in the product, user friendliness or other functional characteristics. Significant improvements to existing products can occur through changes in materials, components and other characteristics that enhance performance.

### **E.7 New or Improved Services**

**Question: E.2 During the three years 2018 to 2020, did this business introduce to the market any new or improved services that differed significantly from this business's previous services? *This includes the addition of new functions or improvements to existing functions or user utility. Functions include quality, technical specifications, reliability, durability, economic efficiency during use, affordability, convenience, usability, and user friendliness. User utility includes attributes such as affordability and financial convenience.***

**Services:** intangible activities, such as retailing, insurance, educational courses, air travel, consulting, etc., also includes digital services. ***Exclude the simple resale of new services.***

This question asks whether the business introduced any new services (a.k.a. functions, skills, or expertise) or improved functions, skills, or expertise during the time frame of 2018 to 2020. A new or improved service should differ significantly from the business's previous services and it

should have been introduced to the market, although it need not be considered commercially successful. The minimum requirement for a new service is that it must have one or more characteristics that are significantly different from those contained in services previously offered by or used by the business. These characteristics must be relevant to the business or to external users. This includes significant improvements in skills, assistances, expertise, user friendliness or other functional characteristics. Significant improvements to existing services can occur through changes in functions that enhance performance.

## SECTION F: FINANCING

The following section collects information on how changing business conditions during the coronavirus pandemic affected this business's U.S.-located operations for the 12 months ending December 31, 2020. All who receive this survey should answer the questions in the upcoming section.

### **F.1 Effect of the Coronavirus Pandemic on Business Sales**

Question: **F.1 How would you assess the overall effect of the coronavirus pandemic on this business's sales in 2020?**

This question asks you to gauge the degree to which this business's expected revenue for calendar year 2020 was affected by the coronavirus pandemic in 2020. If this business is owned by a foreign parent, then sales to the parent and those affiliates not owned by this business should be included in assessing the overall effect of the coronavirus pandemic on this business's sales in 2020.

Include sales and operating revenues to foreign customers, including foreign subsidiaries, when those sales and revenue are generated from U.S.-located operations as you make your assessment.

### **F.2 Sources of Financial Assistance During the Coronavirus Pandemic**

Question: **F.2 Since March 13, 2020, has this business requested financial assistance from any of the following sources?**

Include:

- **Paycheck Protection Program (PPP) loans**
- **Small Business Economic Injury Disaster loans**
- **Other federal, state, or local government programs aimed specifically at addressing the coronavirus pandemic**

Financial aid during the coronavirus pandemic came from a variety of sources, including local, state, or federal government in the form of grants, tax credits, or loans. If this business asked or applied for a grant, tax credit, or a loan from a local, state, or federal government that focused on assistance because of the coronavirus pandemic during 2020, please select "Yes."

Otherwise, select "No," and the survey will automatically skip to the **F.6 Level of Operations During Coronavirus Pandemic** question.

### **F.3 Government Financial Assistance Requested During the Coronavirus Pandemic**

Question: **F.3 What was the total dollar amount of government-sponsored coronavirus pandemic financial assistance (from the previous question - F.2 Sources of Financial Assistance During Coronavirus Pandemic) that this business requested?** *Round to the nearest one thousand dollars. If none, report zero.*

Include only the total dollar amount requested during calendar year 2020. Report the amount requested in thousands. For example, if the amount is \$150,000, please enter 150.

### **F.4 Government Financial Assistance Received During the Coronavirus Pandemic**

Question: **F.4 What was the total dollar amount of government-sponsored coronavirus pandemic financial assistance that this business received?** *Round to the nearest one thousand dollars. If none, report zero.*

Include only the total dollar amount received during calendar year 2020. Report the amount received in thousands. For example, if the amount is \$150,000, please enter 150.

### **F.5 Government Financial Assistance Forgiveness**

Question: **F.5 What share of the government-sponsored coronavirus pandemic financial assistance received was forgiven or does not need to be paid back?**

Thinking only of this business's **government-sponsored coronavirus pandemic financial assistance received in 2020**, calculate the percentage of the proportion that did not need to be paid back.

Select "None" if this business is obligated to pay back all the government-sponsored coronavirus pandemic financial assistance it received.

### **F.6 Level of Operations During the Coronavirus Pandemic**

Question: **F.6 Will this business be able to maintain operations into the next year (2022)?**

Financial and operational decisions are made based on economic conditions and how the future looks, even when it is uncertain. This question asks you to forecast whether this business will continue operating its U.S. location(s) into calendar year 2022. Factors to consider when forecasting, should include the business's:

- Liquidity (the amount of cash and easily-convertible-to-cash assets each operation owns to manage its short-term debt obligations)
- Solvency (each operation's ability to meet its debt obligations on an ongoing basis, not just over the short-term)
- Profitability (each operation's expected net income for 2021)
- Operational efficiency (how well each operation's management can control costs).

### **F.7 Financial Health of the Business**

Question: **F.7 In 2021, how concerned are you about the financial health of this business?**

This question is asking whether you have concerns or anxieties about the ability of this business to remain financially solvent at your current level of operations.

### **F.8 Outstanding Debt for the Business**

Question: **F.8 What is the total amount of this business's current outstanding debt? Round to the nearest one thousand dollars. *If none, report zero.***

Report this amount in thousands. For example, if the amount is \$150,000, please enter 150.

## **Section F: Small Business Credit Instructions**

This section collects information about this business's credit-seeking activity for the 12 months ending December 31, 2020. All who receive this survey should answer the questions in the upcoming section. Exclude loans that were forgiven as part of a government response to the coronavirus pandemic.

### **F.9 New Credit Applications**

Question: **F.9 For the 12 months ending December 31, 2020, did this business submit an application for new credit (*e.g., a credit card, loan, line of credit, trade financing, etc.*)?**

This question is asking whether the business formally applied for new credit during calendar year 2020 from any lending source. If the business applied for new credit, an inquiry would have been placed on the business's credit report in 2020, after which the lender may have elected to grant or deny credit or may have imposed additional conditions, such as a personal guarantee or collateral.

### **F.10 New Credit Sources**

Question: **F.10 For the 12 months ending December 31, 2020, from what lenders did this business apply for new credit? *Select all that apply.***

This question is asking for the type of lender who received an application for new credit from this business in 2020.

If you select "Other," please specify the type of lender in the space provided.



**F.11 New Credit Received**

Question **F.11** For the 12 months ending December 31, 2020, how much of the total amount of credit requested did this business receive?

Estimates are acceptable. Report to the best of your ability. If you are unable to provide any estimate, please select "Don't know."

**F. 12 Business Financing Uses**

Question: **F.12** For the 12 months ending December 31, 2020, for what purpose did this business seek financing? *Select all that apply.*

The purpose of this question is to better understand why businesses seek financing.

If you select "Other," please specify the intended purpose for seeking financing in the space provided.

## **SECTION G: MANAGEMENT PRACTICES**

The following section collects information on this business's management practices and employee training.

### **G.1 Managing Production Problems or Service Issues**

Question: **G.1 In 2020, what best describes what happened at this business when a production problem or service issue arose? *For example, finding a quality defect in a product or piece of equipment breaking down.***

This question asks how managers reacted when any unforeseen event occurred at this business in 2020, which could have negatively affected the business's delivery of a product and/or a service to its customers.

### **G.2 Number of Key Performance Indicators**

Question: **G.2 In 2020, how many key performance indicators were monitored at this business? Key performance indicators are formal, quantifiable measures of performance or quality at this business.**

This question asks if and the extent to which managers scrutinized a nonfinancial measure of this business's performance in 2020 – a factor without monetary value, yet it contributed to this business's profitability. Some examples of key performance indicators are “percentage of overdue invoices” or “percentage of purchase orders raised in advance.”

### **G.3 Frequency of Key Performance Indicators**

Question: **G.3 During 2020, how frequently were the key performance indicators reviewed at this business? *Select all that apply.***

This question asks how often in a twelve-month period did managers scrutinize the nonfinancial measure or key performance indicator of any factor affecting this business's profitability during 2020.

### **G.4 Frequency of Customer Satisfaction Monitoring**

Question: **G.4 How often does this business monitor customer satisfaction through analysis of complaints, customer satisfaction surveys, focus groups, or other methods? *Select all that apply.***

This question asks how often managers measure the loyalty and feedback from this business's customers through different types of methods.

### **G.5 Business Targets**

**Question: G.5 In 2020, what best describes the timeframe of business, service, or production targets at this business? Examples of business, service, or production targets include number of customers, production, quality, efficiency, sales, waste, and on-time delivery.**

This question asks whether the managers used short- and/or long-term strategies to meet the business's goals for 2020.

### **G.6 Level of Effort to Reach Business Targets**

**Question: G.6 In 2020, how much effort did it take to achieve business, service, or production targets at this business as compared to previous years' effort?"**

This question asks you to remember the past efforts needed to achieve the business's targeted performance goals and to report how much effort was needed to achieve these same goals in 2020.

### **G.7 Employee Promotion**

**Question: G.7 In 2020, what was the primary way employees were promoted at this business?**

Employees rise through a business's hierarchy through promotion. This question asks, in general, if and how managers decided to promote employees in 2020.

### **G.8 Under-Performing Employee**

**Question: G.8 In 2020, was an under-performing employee reassigned or dismissed?**

If or when an employee's work performance was inadequate, this question asks how long it took for managers to relocate or discharge the employee during 2020.

### **G.9 Employee Training Expenditures**

**Question: G.9 In 2020, how much did this business spend on formal training programs? *Round to the nearest one thousand dollars. If none, report zero.***

Very simply put, a formal training program is **training that followed some designed form**. It differs from informal training, which does not have an intended, consistent form and usually occurs rather spontaneously and/or casually, for example, reading the instructions to operate equipment or having a discussion between a manager and an employee.

The value you enter will be multiplied by 1,000. For example, if this organization paid \$150,000 for its employees to receive formal training, please type the number 150 as your answer, as this is registered as \$150,000.

**G.10 Employee Training Participation**

Question: **G.10 In 2020, what percent of employees received any formal training? *If none, report zero.***

Thinking only of this business's employees in 2020, calculate the percentage of employees that received any formal training in 2020.

**G.11 Hours of Employee Training**

Question: **G.11 In 2020, what was the average number of formal training hours each employee received?**

Thinking only of this business's employees in 2020, estimate the average number of formal training hours for all employees.

**G.12 Area of Employee Training**

Question: **G.12 In 2020, which of the following areas did employees cover during their formal training? *Select all that apply.***

Indicate the specialized area(s) of formal training which was provided to this business's employees in 2020.

## SECTION H: RESEARCH AND DEVELOPMENT AND THE CORONAVIRUS PANDEMIC

The coronavirus pandemic resulted in major economic changes, as businesses reacted to a general shutdown that started in the United States in mid-March 2020. When answering the following questions, please consider how the coronavirus pandemic affected this business's Research and Development (R&D) activities.

**Reporting for “domestic operations”** - In this survey, “domestic operations” refers to this business's operations located in the 50 United States and the District of Columbia. When reporting for domestic operations, include transactions with foreign subsidiaries. Include all your majority-owned subsidiaries and divisions located in the domestic United States.

**Reporting instructions for “foreign-owned companies”** - If this business is owned by a foreign parent, the reporting unit for this survey is your U.S.-located company. For reporting purposes, this business's foreign parent and any other foreign affiliates this business owns should be treated the same as any business partner, customer, or supplier you do not own.

If you pay this business's foreign parent for R&D services or if this business's foreign parent pays or reimburses this business for R&D services, those costs should be included in the response to the questions in this section.

### What is Research and Development (R&D)?

Research and development (R&D) comprises creative and systematic work undertaken to increase the stock of knowledge and to devise new applications of available knowledge. This includes:

- a) Activities aimed at acquiring new knowledge or understanding without specific immediate commercial applications or uses (basic research);
- b) Activities aimed at solving a specific problem or meeting a specific commercial objective (applied research); and
- c) Systematic work, drawing on research and practical experience and resulting in additional knowledge, which is directed to producing new products or processes or to improving existing products or processes (development).

R&D includes both direct costs, such as salaries of researchers, as well as administrative and overhead costs clearly associated with the company's R&D.

The term R&D does NOT include expenditures for:

- Costs for routine product testing, quality control, and technical services unless they are an integral part of an R&D project

- Market research
- Efficiency surveys or management studies
- Literary, artistic, or historical projects, such as films, music, or books and other publications
- Prospecting or exploration for natural resources

**Does R&D include development of software and Internet applications?**

R&D activity in software and Internet applications refers only to activities with an element of uncertainty and that are intended to close knowledge gaps and meet scientific and technological needs. Report in this survey all software R&D as defined here regardless of the eventual user (internal or external).

**R&D activity in software INCLUDES:**

- Software development or improvement activities that expand scientific or technological knowledge
- Construction of new theories and algorithms in the field of computer science

**R&D activity in software EXCLUDES:**

- Software development that does not depend on a scientific or technological advance, such as
  - supporting or adapting existing systems
  - adding functionality to existing application programs, and
  - routine debugging of existing systems and software
- Creation of new software based on known methods and applications
- Conversion or translation of existing software and software languages
- Adaptation of a product to a specific client, unless knowledge that significantly improved the base program was added in that process

**Reporting unit.** The reporting unit is this business, including all subsidiaries and divisions, domestic and foreign. Include subsidiary companies where there is more than 50 percent ownership.

**Reporting period.** Report data for the calendar year 2020, if possible, or for this business's fiscal year ending between April 2020 and March 2021.

**Estimates are acceptable.** Report all items to the best of your ability.

### **H.1 R&D Changes Due to the Coronavirus Pandemic**

Question: **H.1 In 2020, did the following statements apply to this business’s research and development (R&D) in response to the coronavirus pandemic? *Select one for each row.***

Select “No” for your responses to items a., b., and c. if this business had R&D activities in 2020, but none of its R&D projects were started, canceled, disrupted, or delayed as the result of the coronavirus pandemic.

Only select the “Check here if business did not have R&D and skip to **Section I: Contact Information**” checkbox if applicable. The survey will automatically skip to the **I.I Contact Information** question.

### **H.2 Impact of the Coronavirus Pandemic on R&D Expenditures**

Question: **H.2 In 2020, did this business modify its in-house R&D expenditures in response to the coronavirus pandemic?**

When answering this question, please refer to the definition of R&D expenditures provided on the two preceding pages of this Instructions Guide.

### **H.3 R&D Performance Due to the Coronavirus Pandemic**

Question: **H.3 In 2020, did this business perform in-house R&D on coronavirus pandemic related R&D projects in response to the coronavirus pandemic? *For example, R&D to create self-sterilizing work surfaces; R&D to develop a COVID-19 diagnostic test; R&D to adapt LEDs to UV for light-weight air purification system, etc.***

“In-house” refers to R&D activities done or existing within the business or organization. Include only R&D activities that are related to or resulted from the coronavirus pandemic.

### **H.4 Impact of the Coronavirus Pandemic on R&D Full-Time Equivalent Personnel**

Question: **H.4 In 2020, were there any changes to the number of full-time equivalent (FTEs) R&D personnel employed or contracted in response to the coronavirus pandemic by this business?**

The headcount of full-time equivalent employees should be adjusted to account for employees who work part-time as well as those employees who split their time between R&D and other activities.

**H.5 Outsourcing R&D Expenditures Due to the Coronavirus Pandemic**

**Question: H.5 In 2020, did this business modify its outsourced R&D expenditures in response to the coronavirus pandemic?**

This question measures the impact of changing business conditions during the coronavirus pandemic on this business's contracting out of R&D.



## **SECTION I: CONTACT INFORMATION**

### **I.1 Contact Information**

In case we have questions about your responses, the Census Bureau may need to contact you. Provide the Census Bureau with a single point of contact at each business who can answer questions about survey responses. The point of contact for this survey may differ from that provided for other Census Bureau surveys.

### **I.2 Additional Remarks**

Please provide any additional information that would assist in understanding your reported data. This includes, but is not limited to:

- your relation to the business owner(s) or nonprofit organization for whom you are reporting,
- why a certain question was left blank,
- what you did not understand about a question, or
- if you wanted to report a different answer to a question but the option was not available.

This section is optional and should be filled out at the business's discretion.

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### **Need help or have additional questions?**

- Visit <https://www.census.gov/abshelp>
- Call 1-888-824-9954, between 8:30 a.m. to 8:00 p.m. Eastern time, Monday through Friday.